

ADB-MADAGASCAR

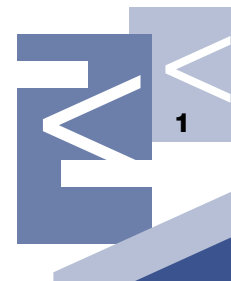
30 Years of Partnership

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African Development Bank



This brochure has been produced on the occasion of the celebration of the African Development Bank (ADB) Group's 30-year partnership with the government of Madagascar. In fact, it was on February 20, 1977, that the Bank Group's Board of Directors approved financing for the Bealanana-Antsahabe road project which was the first Bank-financed project in the

country. Since then, ADB has financed 55 projects in the country worth US\$ 862.04. The publishing of this document also coincides with the official visit of the ADB President, Donald Kaberuka, to Madagascar from March 19-20, 2007, and the official inauguration of the Bank Group's national office in Madagascar.



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> Message by his excellence

M. Marc Ravalomanana, president of republic of Madagascar

We are living in times which are full of promise. In Africa, and certainly in Madagascar, we are about to embark on a far-reaching change. Africa is a complex continent, confronted with numerous challenges, some of which are specific to each country, while the others are common to all. The African Development Bank continues to make substantial contributions towards assisting Africa in its efforts to tackle its problems and seize the many opportunities available to it.

Two years ago, at the United Nations General Assembly, I urged the international community to draw up the equivalent of a Marshall Plan for Africa to support the rapid development of the continent. In February 2007, addressing my African counterparts, I again put forward the need for us to have a Marshall Plan focused on the construction of infrastructure which could sustain this rapid development. This proposal was adopted by the third panel discussion on 'Africa and the Information Society' at the 2007 France-Africa Summit.

Madagascar has taken the lead in the formulation and implementation of its own Marshall Plan, which we call the 'Madagascar Action Plan' or MAP. We would like to be a pilot country for Africa and show how to conduct this process through which we intend to make a quantum leap. We cannot afford to move at a snail's pace, because we lag so far behind on the path to development. The long years of socialism and poor governance have left us a poor and – to some extent – isolated country. However, since I took over as President, I have resolved to reverse the trend. At the moment, we have effectively embarked on the path towards making our vision a reality.

The MAP sets out the specific commitments, challenges and projects which we shall implement to achieve our goal. Allow me to give you a few examples:



We are determined to achieve strong economic growth. This means that we will seek to attract much more foreign investment and that we will have to encourage national entrepreneurship further. We must become a competitive country. In the near future, I would like to see growth rates of 7% to 10%.

We are determined to preserve our environment. Madagascar has one of the highest levels of biodiversity in the world. We intend to protect six (6) million hectares of ecological zones.

We are determined to transform our education system. The current one is based on the old colonial model and is ill-suited to the

requirements of the 21st Century. Similarly the school enrolment rate is too low, but the situation is changing. We will also create an international university in Madagascar, to train and improve the skills of the most intelligent young people, destined to be leaders in the main sectors, and who will help us define and acquire a competitive edge as a country.

We are determined to build modern, high-standard infrastructure, which will service the entire country. I would like our roads, our ports, our airports and our telecommunications system to be of international standards.



We are determined to transform our health system and, in particular, eradicate malaria and communicable diseases. The country's HIV/AIDS prevalence rate is less than 1%; we intend to maintain it at a low level and reduce it even further.

We are determined to spread the Green Revolution throughout our country, with new technologies, improved seeds and fertilizers, as well as training and support.

We are attached to the principles and practices of what I refer to as 'responsible governance'. The Gates Foundation recognizes the efforts deployed by African countries. Most of them have tackled the problems of corruption. But, in Africa, we need to see results, significant results. And to successfully achieve this transformation, we need responsible governance which lays emphasis on accountability, and results which will change the situation.

We are also attached to decentralisation and a bottom-up approach of the development process. Madagascar has 17 500 Fokontany (extended village communities). We provide the Fokontany chiefs with the necessary resources and train them to run the community in a productive, responsible and participatory manner.

I have explained these commitments so that people will understand the full extent of our determination. Nothing will ever be done in the

same way as before in Madagascar. We are aware that we must change our mentality and our behaviour if we want to achieve our goals. To facilitate this change of mentality, and ensure our transformation, we have undertaken to build our leadership capacities. To this end, we have created the National Leadership Institute of Madagascar, which has started training leaders from all over the country.

In the light of our commitments, the role of the African Development Bank is now more important than ever. Over the past 30 years, the Bank has been a solid and reliable partner for Madagascar. This partnership should be strengthened further in terms of sector programmes, volume and scope of activities.

I am pleased with the way in which we are developing our relationship. My participation in the 2007 ADB General Assembly in China, the visit to Madagascar of the Bank's President, Mr. KABERUKA, this year, and the opening of the Bank's country office in 2005, attest to the healthy development of these relations.

Marc RAVALOMANANA



> Message by **Mr. Donald Kaberuka** **president of the ADB Group**

I would, first of all, like to salute the Malagasy people, in particular, following the last presidential elections held in an exemplary manner and to the satisfaction of the entire international community.

In this connection, and on behalf of the members of the Boards of Directors of the Bank Group and on my own behalf, I would like to congratulate His Excellency Mr. Marc RAVALOMANANA most sincerely on his outstanding re-election to the high office of President of the Republic of Madagascar.



When I assumed office as Head of the African Development Bank Group, in September 2005, I undertook to ensure that the Bank becomes an institution close to its clients and more attentive to their concerns. Besides, being able to come to visit the people of Madagascar and their leaders is symbolic to me, particularly because my visit marks thirty years of partnership.

This visit is part of a deliberate programme to listen to our regional member countries. Appreciating the work accomplished by the Bank in the field and discussing with the highest authorities and all those involved in the actions of our Institution will make it easier for us to better meet the expectations of all.

In the countries that I have already visited, the Bank, because of its role and contribution to the fight against poverty and to the economic and social development of African countries, is perceived as a dynamic force for progress and growth. The different interlocutors consider our Institution as a strong voice of the Continent on issues related to the development of Africa.

The same conviction is now expressed as regards the urgent need for the Bank's effective presence in the field to ensure more efficient management of the portfolio and fruitful

strategic dialogue, thus reinforcing the objectives of decentralisation, illustrated by the opening of 25 field offices including the one in Antananarivo. And the highly appreciated work of this office is extremely encouraging.

There is a broad consensus throughout the world that Africa is now in the best position to consolidate its growth for the first time in thirty years. The growth rate is steady at around 5% for the sixth consecutive year, conflicts are on the decline and significant progress has been made in the macroeconomic management and political governance of African countries.

Finally, the G8 Multilateral Debt Relief Initiative, with which the ADB Group is associated, and which should enable many countries to mobilise additional resources, attests to the growing interest of the international community in the situation in Africa.

In 2006, we restructured the Bank Group in order to improve the quality of its operations, strengthen their impact on development and better meet the changing needs of regional member countries. In this approach, we were guided by the principle of enhanced country focus. Thus, the Bank continues to provide support to all sectors by taking into account the national priorities as well as the ownership of projects by beneficiary countries.



Throughout the Continent, it is now clear that the scarcity of energy and the poor state of infrastructure are increasingly impairing growth. Similarly, poor access to drinking water supply and sanitation services could compromise the achievement of the Millennium Development Goals (MDG). We have thus decided to put more focus on water, infrastructure, energy and transport which now represent over 40% of the African Development Fund's (ADF) operations, for which Madagascar is eligible.

The Bank is convinced that access to safe water, particularly in rural areas, has a multiplier effect on the achievement of the MDG, in particular through its impact on health and education. In this regard, we are proud to be Madagascar's leading partner in the water sector and we intend to step up our support.

We also consider that the decline in transaction costs as a result of a reliable and sound infrastructure will contribute to promoting economic growth, regional integration and the development of the private sector which are vital for the promotion of successful public-private partnerships.

It is a good sign that, on this thirtieth year of partnership between ADB and Madagascar, these strategic orientations are fully in keeping with the commitments contained in the MAP, 'Madagascar Action Plan' for the 2007-2012 period.

The Government and people of Madagascar can be assured that the ADB Group will be their natural partner for its implementation. Closer to home, in the field, the Bank's country office in Madagascar will be the key player in such collaboration. Thus, the conditions are met for us to deepen our mutual commitment and produce sustainable results in terms of economic growth and social progress. In other words, meet the legitimate expectations of the people of Madagascar.

Donald KABERUKA

> Introduction

by the Minister of Finance and the budget and ADB Governor for Madagascar

2007 is an exceptional year in relations between Madagascar and the African Development Bank in many respects. Apart from the fact that it represents a significant symbolic threshold of thirty years of partnership, it is marked by several extremely remarkable events. First, at the level of bilateral relations, with President Kaberuka's official visit to our country in March, as well as President Ravalomanana's participation, as guest of honour, in the Annual Meetings of the African Development Bank and African Development Fund to held in Shanghai in May.



Besides, it should be recalled that 2007 is exceptionally marked by the beginning of the second term of office of President Ravalomanana, who has decided to fix an objective for the country to achieve the goals defined by the Madagascar Action Plan (MAP) 2007/2012 during this term. The year has, therefore, ushered in a new phase which involves all our bilateral and multilateral partners, spearheaded of course by the African Development Bank.

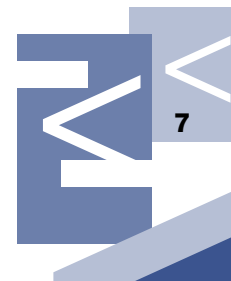
As a pivotal year, it should be a special moment for us to take stock of these three decades of partnership and to open up new perspectives to consolidate it even further.

Since the first project, adopted by its Board of Directors in February 1977 (construction of the Bealanana – Antsahabe Road), the ADB has regularly lent significant, constant and diversified support to our country's development effort. The sectoral breakdown of its support is remarkably even: agriculture: 27.58%, infrastructure: 24.17%, water and sanitation: 11.05%, education and health: 10.47% and

multi-sector activities: 26.77%. This last heading needs to be explained further because it concerned certain projects aimed at supporting the Government's macroeconomic reforms by granting quick-disbursing loans (in particular balance of payments assistance) which have contributed significantly to our macroeconomic stability, and others which focus on budget support, building institutional capacities and, more recently, the promotion of good governance.

The water and sanitation sector, for which the ADB has become the country's leading partner, deserves special mention. Thus, aware of the strategic nature of the activities concerned, we have jointly decided that half of the 10th ADF (African Development Fund) resources (2005/2007), equivalent to some 75 million US dollars, will be allocated to the Rural Water Supply and Sanitation Programme (PAEAR) which is about to be launched and whose activities cover an immense part of the country.

Finally, concerning another particularly sensitive area – that of debt relief – Madagascar has already benefited from debt relief of about US\$



80 million under the Heavily Indebted Poor Countries (HIPC) Initiative launched by ADB. With respect to the Multilateral Debt Relief Initiative (MDRI), Madagascar is expected to be granted debt relief of about US\$ 370 million at the end of the process in 2054. All these resources could be invested by the country.

During all these years, the performance of the projects were not always commensurate with our expectations and, in the course of the constantly maintained dialogue with the ADB, we have never ceased to try together to find appropriate solutions to the problems encountered. For this reason, and prompted by this concern, we have mutually concluded that a Country Office should be opened by the Bank in Antananarivo.

Thus, since its opening in August 2005 and even more so, since it became operational in February 2006, the ADB Country Office has effectively contributed to improving the conditions in which our dialogue takes place and those in which the projects are implemented in the field. It has facilitated greater fluidity and rapidity in the flow of information and the processing of project files, and the effects of such developments are already being felt in all sectors.

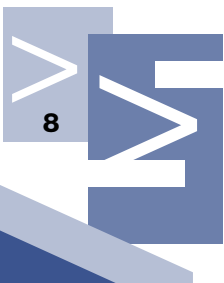
The Country Office, which has become an integral component of the international community present in our capital, has contributed significantly in its reinforcement and diversification, while instilling in it a new dimension linked to the ADB's long and rich experience as well as to its African character. In this regard, we hail its participation in the Partnership Framework for Budget Support, in collaboration with the European Union, France and the World Bank, culminating in the Poverty Reduction Budget

Support Project, amounting to about 52 million US dollars, approved by the Bank's Board in June 2006. It should also be noted that, for our country, this Partnership Framework has become the preferred instrument for dialogue with the international community as well as one of the best guarantees of the progress that we have made over the past few years in terms of macroeconomic stability.

Even though the results in this, as in many other areas have been outstanding they should not be considered as satisfactory, given the needs and expectations of our population, most of whom continue to suffer from poverty or in light of the country's huge potential in terms of economic development. This dual concern was clearly stated in the MAP which should henceforth serve as the framework for the actions of all our partners.

In this regard, we hope that ADB will fully support the major financial resource mobilisation effort which we are about to initiate with the international community to finance the MAP. In addition to the support specifically provided by the Bank, in particular through the X1th ADF (2008/2010) the replenishment of which is being negotiated, we would like it to also assist us to mobilise additional resources from all other donors. In this exercise, the Bank's experience and credibility will be precious to us.

A priority area for future cooperation is the energy sector because of the problems already encountered and the country's considerable needs in this area. Furthermore,, we would like the ADB private sector window to be more present and more active in our country, whose many economic operators are seeking the financing required to develop the potential identified. Convinced of the strategic nature of



private sector development as a basis for the creation and accumulation of wealth and thus as an engine of growth, our determination in this area is very clear, as illustrated by the establishment of our new institution, 'Economic Development Board of Madagascar' (EDBM), which, it is hoped, will become a key instrument in the service of our development policy.

The thirty years of partnership that we have just experienced and which we celebrate together, should serve as an opportunity for us to make a fresh start in our relations. This will enable

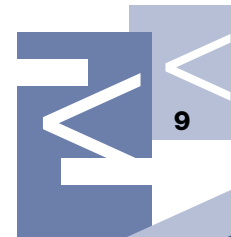
Madagascar to view the future with confidence and to better meet the challenges of globalisation, in which our country firmly intends to be an active player.

Benjamin Andriamparany
RADAVIDSON



Introduction by the Resident < Representative of the ADB

Office in Madagascar



Madagascar Country Office should be seen and appreciated.

Officially opened in August 2005, it only became effectively operational in February 2006, after several preliminary phases necessary for its smooth operation. Since 1st March 2006, i.e. a year ago, the Country Office started implementing the delegation of authority matrix in force in the Bank, by informing all the national stakeholders involved to that effect.

As soon as it was opened, the Office undertook actions to achieve the following four strategic objectives:

2007 will, in all respects, be a remarkable year in the relations existing between the ADB Group and the Republic of Madagascar over the past thirty years. It is marked, among others, by two major events: President Marc Ravalomanana's participation in the Annual Meetings of the ADB Group, to be held in Shanghai in May and President Donald Kaberuka's official visit to Madagascar. It also ushers in a new era because, as far as the Bank is concerned, it is marked by the deepening and operationalisation of reforms initiated in 2006 and structured around the strategic objective of improving the services we provide to our clients, namely the Regional Member Countries.

In this perspective, it was clearly stated that the process for the decentralisation of our activities should be central to our approach. This proximity policy is explained by our permanent concern to bring our clients, stakeholders and beneficiaries of our projects closer, and to better harmonise our actions with those of other development partners.

Thanks to the implementation of this new decentralisation policy, the Bank's field offices throughout the Continent, will increase to 25 at the end of 2007. And it is precisely within this global context that the establishment of the

i) enhancing dialogue with the national authorities, private sector operators and civil society actors: relations based on confidence were established with all the national authorities concerned by the activities of the Bureau, at all levels involved: President's Office, Office of the Prime Minister and Ministries, in particular the Ministry of Finance and the Budget headed by the Governor of the Bank for Madagascar. Several contacts with private sector operators have been initiated and have resulted in the identification of several projects, some of which are currently being examined by the concerned services of the Bank. With respect to civil society, contacts are under way to enhance mutual understanding.

ii) strengthening dialogue with development partners: the Office has established good relations with all development partners, but has particularly focused its actions within the Partnership Framework for Budget Support regrouping the Bank, the European Union, France and the World Bank. In the same vein, it has also participated actively in all the existing sector coordinating bodies.

iii) improving portfolio management monitoring: In an approach aimed at significantly improving the Bank's portfolio performance in the coun-

try, the Office established institutional coordination mechanisms, in particular regular meetings with all projects which systematically take stock of the performances achieved. Along the same lines, while the personnel of the Office remained constantly open to proposals aimed at resolving the problems they encounter on a case-by-case basis, they have also started conducting supervision missions, either by providing support to those initiated by colleagues from the Temporary Relocation Agency in Tunis, or by taking the initiative directly.

iv) increasing the Bank's visibility: in a bid to open up to the entire society, the Office was eager to increase the visibility of the Bank, whose important activities in the country were still relatively unknown. The actions undertaken were essentially in the form of interventions in the media and participation in various public events by the Office staff.

However, even though the evaluation of the Office's first year of operationalisation is satisfactory, we should deploy greater efforts to achieve better results in response to the challenges ahead. In this respect, the areas of intervention in the country defined by the «Madagascar Action Plan» (MAP), covering the 2007/2012 period, clearly open new perspectives for the Bank's action, both within the framework of the 11th ADF (African Development Fund) replenishment for 2008/2010 and in that of our private sector window for which there are immense opportunities. From this standpoint, the next mid-term review of our Country Strategy Paper (CSP)

2005/2009, with a view to its updating, will be basically structured around its harmonisation with the MAP objectives.

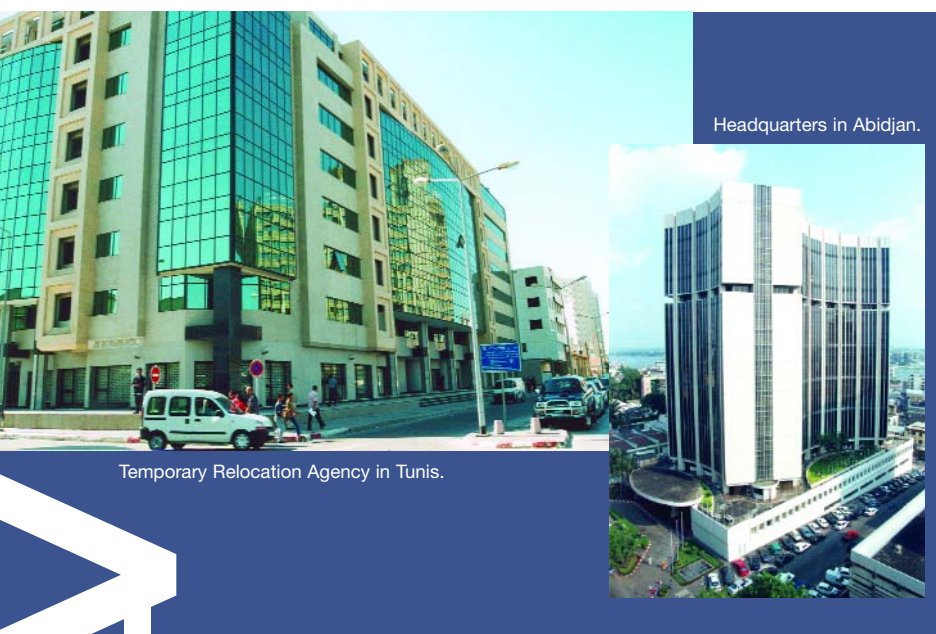
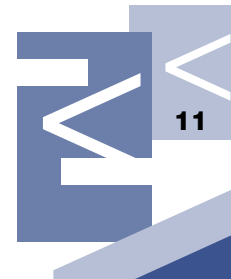
In order to address the challenges ahead, we should further improve our performances more specifically in four key sectors: identification of the potential of civil society, monitoring the implementation of projects through more frequent supervisions, assessing project impact through a better knowledge of their real effects on the beneficiaries and training the personnel in charge of implementing these projects to better understand our rules of procedure. Two major activities also scheduled to take place this year will contribute to our efforts to achieve these objectives: the national project implementation workshop and the portfolio review.

In all the actions it has already undertaken as well as in the future, the Madagascar Office always maintains as its key objective its determination to reflect, in the field, the Bank's objective of incorporating its proximity policy as a key factor in its relations with Regional Member Countries. Thus, guided by this strategic concern, it intends to be a decisive operational actor, firmly determined to support Madagascar on the road to economic growth and social progress.

Nadji SAFIR



General presentation < of the ADB Group



operation and its President is statutorily African.

Since 2000, ADB, in partnership with several international and development organisations including the UN, World Bank and IMF, has undertaken to assist and support RMCs to achieve the Millennium Development Goals (MDG).

The ADB Group comprises three entities: the African Development Bank (ADB), the African Development Fund (ADF) and the Nigeria Trust Fund (NTF).

1. What is the African Development Bank Group?

The Agreement establishing the African Development Bank (ADB) signed by Member States on 4 August 1963, in Khartoum Sudan, entered into force on 10 September 1964.

The ADB headquarters is located in Abidjan. However, due to the instability in Côte d'Ivoire, the activities of the institution have been temporarily relocated to Tunis since February 2003.

As the premier development finance institution in Africa, the ADB has set itself the priorities of reducing poverty, improving the living conditions of African populations and resource mobilisation for the economic and social progress of its Regional Member Countries (RMC: 53 African countries).

The African Development Bank is one of the world's five multilateral development banks. The four others are: the World Bank, the European Bank for Reconstruction and Development (EBRD), the Asian Development Bank (AsDB) and the Inter-American Development Bank (IADB).

The ADB Group retains its African character. Thus, the African Continent is its only area of

The RMCs are classified in three categories.

The first comprises countries with a per capita GDP of less than US\$ 540 dollars. These are only eligible for ADF concessional resources.

The second comprises countries with access to ADB and ADF joint financing: their per capita GDP is between US\$ 540 and US\$ 1 050.

The third category comprises countries with access to ADB loans only; these countries have a per capita GDP of over US\$ 1 050.

The Bank's resources consist of subscriptions by member countries, borrowings on the international market, and loan repayments and income.

Its resources also come from ADF and NTF replenishments.

2. What types of projects does the Bank finance?

The mission of a development bank is to promote public and private capital investment in projects and programmes likely to contribute to economic and social development. Thus, the ADB does not award individual loans, but engages in financing public or private projects.

The African Development Bank group finances projects, programmes and studies in the agriculture, health, education, environment, infrastructure, transport and telecommunications sectors, in industry as well as in the private sector.

Since 1968 the ADB Group has also been engaged in financing non-project operations, including structural adjustment loans, institutional reforms loans and various forms of technical assistance and policy guidance.

The ADB Group has also broadened its role to new initiatives such as:

The New Partnership for Africa's Development (Nepad): The ADB was selected by African Heads of State and Government as leader for the infrastructure, banking standards and good governance component.

Water: The African Water Facility (AWF) created by the African Ministers Council on Water (AMCOW) in April 2002, is managed by the ADB Important debt relief initiatives.

The heavily indebted poor countries (HIPC) initiative, amounting to 5.6 billion dollars, aims to reduce the debt of 33 eligible countries to a sustainable level.

Within the framework of the G8 Multilateral Debt Relief Initiative (MDRI), the ADB Group also cleared debts worth about 9 billion in favour of these countries in 2006, as a way of assisting them in their efforts to achieve the Millennium Development Goals.

3. How does the ADB Group function?

The Board of Governors is the Bank's highest policy-making organ. Each member country is represented on the Board by a Governor and an Alternate. It meets annually in ordinary session during the Annual Meetings.

The Board of Governors elects the President of the ADB for a five-year term, once renewable.

The President of ADB manages the Bank under the direction of the Board of Directors which he chairs. In this regard, he reports on the effective application of policies and guidelines issued by the Board.

Mr. Donald Kaberuka, 7th elected ADB President, assumed office on 1st September 2005.

In July 2006, the ADB initiated an in-depth institutional reform in order to strengthen the efficiency of its operations in the field, on the one hand, and its influence as the centre of know-how and knowledge on development in Africa, on the other.

In conducting the affairs of the ADB, the President is assisted by a Chief Economist and 5 Vice Presidents in charge of supervising 30 Departments, 57 Divisions and 6 Organisational Units. The activities of the ADB Group which are audited by the audit department, are also monitored by an independent evaluation department and an internal administrative tribunal.

The ADB Group currently has a staff of about 1 100 employees, the majority of whom are of African origin. However, there are also employ-

ees from all over the world, provided they are nationals of a member country.

Concerned about improving the quality of its services and the dialogue with the beneficiaries of its operations, the ADB Group intends to establish field offices in 25 of its member countries by end 2007, some of which will cover several countries.

THE ADB IN FIGURES

| | |
|-------------|--|
| 1964 | Establishment |
| 1972 | Establishment of the African Development Fund (ADF) |
| 25 | ADF participating countries |
| 77 | Shareholding Member Countries |
| 53 | African countries known as Regional Member Countries (RMC) |
| 24 | Non-African Countries known as Non-regional Member Countries (NRMCM) |
| 18 | Members of the Board of Directors |
| 12 | represent the RMC: 60% of voting powers |
| 06 | represent the NRMCM: 40% of voting powers |

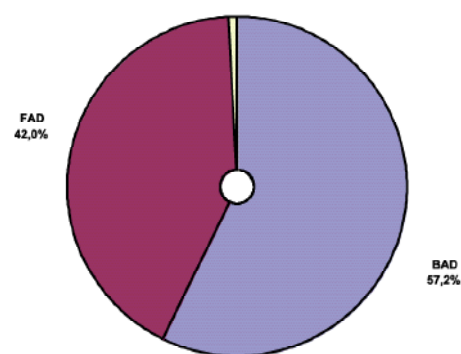
33.84 billion \$ US ADB capital

3.4 billion \$ US Operations in 2006:
+ 32% compared to 2005

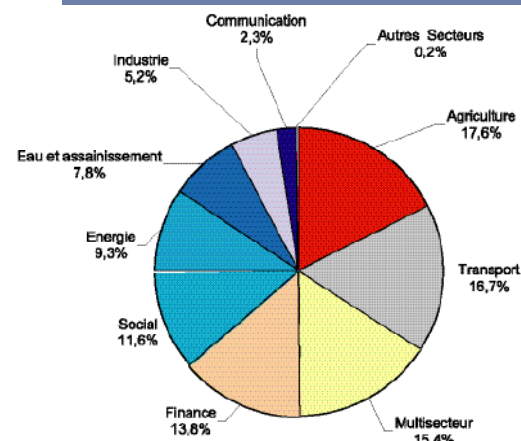
55 billion \$ US Financing **3000** projects since 1967

500 million \$ US The biggest loan in the history of the ADB, approved in 2006, for the restructuring of the financial sector in Egypt.

Cumulative Grant and Loan Approvals
1967-2006



Approbations cumulées
du Groupe de la BAD par secteurs
1967-2006



25 PARTICIPATING COUNTRIES

Argentina, Austria, Belgium, Brazil, Canada, China, Denmark, Finland, France, Germany, India, Italy, Japan, Korea, Kuwait, Netherlands, Norway, Portugal, Saudi Arabia, Spain, Sweden, Switzerland, United Kingdom, United Arab Emirates, United States of America.

REGIONAL MEMBER COUNTRIES

Algeria, Angola, Benin, Botswana, Burkina-Faso, Burundi, Cameroon, Cape Verde, Central African Republic, Chad, Comoros, Congo, D. R. Congo, Côte d'Ivoire, Djibouti, Egypt, Equatorial Guinea, Ethiopia, Eritrea, Gabon, Gambia, Ghana, Guinea, Guinea-Bissau, Kenya, Lesotho, Liberia, Libya, Madagascar, Malawi, Mali, Mauritania, Mauritius, Morocco, Mozambique, Namibia, Niger, Nigeria, Rwanda, Sao Tome et Principe, Senegal, Seychelles, Sierra Leone, Somalia, South Africa, Sudan, Swaziland, Tanzania, Togo, Tunisia, Uganda, Zambia, Zimbabwe.

NON-REGIONAL MEMBER COUNTRIES

Argentina, Austria, Belgium, Brazil, Canada, China, Korea, Denmark, Finland, France, Germany, India, Italy, Japan, Kuwait, Netherlands, Norway, Saudi Arabia, Spain, Sweden, Switzerland, United Kingdom, United States of America.

ADF REPLENISHMENTS

| | YEARS | BILLIONS \$ |
|----------|-----------|-------------|
| ADF I | 1976-78 | 0.327 |
| ADF II | 1979-81 | 0.712 |
| ADF III | 1982-84 | 1.00 |
| ADF IV | 1985-87 | 1.50 |
| ADF V | 1988-90 | 2.80 |
| ADF VI | 1991-93 | 3.42 |
| ADF VII | 1996-98 | 3.20 |
| ADF VIII | 1999-2001 | 3.38 |
| ADF IX | 2002-2004 | 3.5 |
| ADF X | 2005-2007 | 5.40 |

General Presentation < of Madagascar



Situated on the south-east of the African continent, the Republic of Madagascar is an island in the Indian Ocean covering a surface area of 587 540 km². It is separated from the continent (about 400 km away) by the Mozambique channel. The country is surrounded by other islands and archipelagos, such as Mauritius, Seychelles, Comoros and Reunion. It is endowed with various resources thanks to its great variety of soils and climates. Its ecological assets, particularly the flora and fauna which are unique in the world, are threatened by human activities, foremost of which are abusive deforestation and bush fires, inexorably resulting in soil erosion and desertification. Thus, forest areas have dwindled significantly over the past few years.

In 2005, the population of Madagascar was estimated at about 18.6 million inhabitants, 55% of whom are under 20, and 75% of whom live in rural areas. The population is growing at a rate of 2.7% per annum. Life expectancy at birth is 56 years while the annual urbanisation rate is 6.5%. The Malagasy population is concentrated in the eastern part, in the central highlands and in the development areas which attract migrants from regions with high demo-

graphic pressure. The most fertile lands, situated essentially in the west, are sparsely populated while the less fertile lands, which are relatively exhausted in the eastern part and in the central highlands, are overpopulated.

The capital, Antananarivo, is the island's most populated city with about 2 million inhabitants (2005 estimate), followed by Toamasina (about 200,000 inhab.), Fianarantsoa (about 150,000 inhab.), Mahajanga (about 160,000 inhab.), Antsiranana (about 80,000 inhab.)

and Toliara (about 60,000 inhab.), all of which are provincial administrative centres. Administratively, Madagascar is also subdivided into 22 regions. Since June 2004, greater emphasis has been laid on public action aimed at developing the economic potential of regions, and laying better foundations for the decentralization and deconcentration policy.

Despite the heterogeneous nature of the population comprising ethnic groups of various origins, the existence of one language 'Malagasy', spoken by the entire population, is one of the fundamental unifying factors in the country. The Republic of Madagascar became independent on 26 June 1960. It is a parliamentary democracy, with a Bicameral House: the National Assembly with 160 members elected by universal suffrage for 5 years and the Senate with 90 members, 60 of whom are elected by the Grand Electors while 30 are appointed by the President of the Republic, for a 6-year term of office. The President of the Republic is elected by universal suffrage. The Prime Minister is appointed by the President. The last Presidential elections, held on 3 December 2006, were won in the first round by the outgoing President, Marc Ravalomanana.

> Socio-economic profile of Madagascar

The Malagasy economy is essentially based on the activities of the primary sector (agriculture, livestock production, fishing and forestry). This sector, which provides more than 76% of jobs created, has an average annual contribution to GDP of more than 25%; its major productions are: (i) rice with regard to subsistence crops (about 73% of the Malagasy population are employed in rice production, in the rural areas); and (ii) vanilla, cloves, pepper, coffee and cotton. The national production is divided between: agriculture and primary activities (25.3% of GDP on average); industry (14% on average, including mainly: the food industry, energy and beverages); services (59% on average). The transportation infrastructure is substandard, leaving major markets isolated from one another, and has deteriorated because of irregular maintenance. The road network covers 38 000 km of roads, comprising 12 000 km of national highways, 18 000 km of provincial roads and 8 000 km of unclassified roads. Out of this total, only 12 000 km are passable throughout the year and about 5700 km are surfaced. According to official estimates, routine maintenance was carried out on 805 km of national highways and 13 000 km of rural roads in 2005. Electricity generation covers 15% of national needs, 72% in the urban areas and 5% in the rural areas. Drinking water coverage is estimated at 37.4% for the entire country, with 63.5% in the urban areas, and only 30.1% in the rural areas. Frequent power outages in recent years are due to the structural and financial difficulties of the State-owned water and electricity distribution utility, JIRAMA (Société d'Etat de distribution d'eau et d'électricité), and disrupt the smooth functioning of the economy. Sanitation coverage is 52% for the entire country, 68.7% in the urban areas and 47.0% in the rural areas. In this regard, the southern part of the country has a chronic drinking water and sanitation access deficit.



Following the 2001/2002 political crisis, the country experienced a recession, with a growth rate of -12.7% in 2002, before recovering to reach 9.8%, 5.3%, and 4.6% in 2003, 2004, and 2005 respectively. The growth rate was estimated at 4.8% in 2006. This performance is due not only to the buoyancy of the secondary and tertiary sectors, but also to the government's commitment to pursue the macroeconomic and structural reforms aimed at effectively reducing poverty. As regards public finance, measures were taken to simplify the tax system and improve revenue control and collection, to better rationalise spending through, among others, the adoption of programme budgets and budget and financial discipline guidance. To improve the business environment, a new law on commercial arbitration, a code of ethics for judges and a new government procurement code were adopted. This array is reinforced by a determination to streamline the financial system, characterised by the introduction of the new currency, Ariary, which replaced the Malagasy Franc in early 2005, and the finalisation of the financial sector recovery plan with the assistance of development partners. At the external level, the authorities have, among other measures, simplified the customs procedures, with the adoption of three tariff rate bands: 5, 10 and 20%. With the continuation of the privatisation and restructuring of public corporations in difficulty, these reforms will be accelerated and deep-

ened, with a view to ensuring that the country is provided with the conditions required for sound economic growth.

Madagascar is ranked among the poorest countries in the world, with a per capita gross domestic product estimated at 309 US dollars in 2005 and a human development index (HDI) of 0.509 in 2004. It is ranked 143rd out of 177 countries classified in the 2006 World Human Development Report. More than 70% of the population lives below the poverty line, with a higher incidence of poverty in the rural areas where about 80% of the population live below this threshold, compared to 51.8% in the urban areas. Poverty in the rural areas is closely linked to limited access to land, basic infrastructure (roads, water, electricity and sanitation), education and health services. Land distribution is imbalanced with 1% of rural households owning 22% of the irrigated land. Poverty in the urban areas is linked to the difficulties encountered in the labour market and in access to education, since the income gap between the urban poor and rich is, to a large

extent, due to the difference between the duration and the quality of education received. Besides, natural disasters in the form of hurricanes and/or drought constitute an important factor which directly impedes the socio-economic development of the country, as they cause huge damages to the agricultural and road infrastructure, as well as to agricultural production, notwithstanding the efforts initiated by the country to modernise its disaster early warning system. Despite Government efforts, the literacy rate (47.2%) remains low. Furthermore, only half of the children enrolled in primary school advance to secondary level, and only 3% pursue higher education. Malnutrition affects about 59% of the population, infant mortality rate is estimated at 90 per 1000 births while the maternal mortality rate is about 465 per 100 000 childbirths. Malaria and tuberculosis are still rife, while the country has an average of only 10 doctors for 60 000 inhabitants. Even though HIV/AIDS prevalence is relatively low (1.1%) among the general population, it is over 5% among several population groups with high-risk behaviour.



of 30 years of Partnership

Madagascar is a regional member country holding shares in the Bank Group's share capital. Its initial subscription dates back to 3 May 1976. Its interests in the Bank are represented on the Board of Governors by a Governor appointed by the highest Malagasy authorities, and on the Board of Directors by an Executive Director and an Alternate. Relations between the African Development Bank Group and the Republic of Madagascar are based on a fruitful partnership. Madagascar fully participates in the operations of the ADB, which in return has, for the past 30 years, supported the Government to institute development policies, structures and institutions, through: (i) financial support in the form of loans, lines of credit and grants, aimed at backing up reform and capacity building projects and programmes, as well supporting the Government in emergency situations (drought and flooding) ; and, (ii) providing advice for the preparation of national and sector-specific development plan, studies on constraints and development sub-sectors and the strengthening, among others, of the Partnership Framework with all development partners. The first project in favour of Madagascar was approved by the Bank's Board of Directors in February 1977 (construction of the Bealanana – Antsahabe Road),

More specifically, to date, 55 operations have been approved by the ADB. These include 36 projects/programmes, 8 studies, 1 line of credit, 4 structural adjustment programmes and 1 poverty reduction budget support, 3 institutional support loans and 2 supplementary financing mechanism loans. The total amount of approvals is in the region of US\$ 862.04 million. The total disbursement rate for all these operations is 67,31%. The sectors which benefited most from these commitments are multi-sectoral activities, in particular the reforms and capacity building support programmes (28.1%), transport (25.5%), agriculture

(23.7%), water and sanitation (11.2%) and the social sector (10.05%). Out of 55 operations, 41 have been completed while 14 are ongoing for a net overall amount of about 292.62 million US dollars distributed as follows:

(i) Agriculture (15.9%); (ii) Multi-sector activities (3.2%); (iii) Social (18.9%); (iv) Transportation (30.8%) and (v) Water and Sanitation (31.2%).

The disbursement rate at the end of January 2007, excluding the budget support project, is in the region of 22%. ADB and the Government of Madagascar are working within a more global framework of Government policies and the ADB's Country Strategy Paper (CSP) for 2005-2009, and more particularly in the planning - for 2007- of activities financed under the ADF X cycle (2005-2007), to improve the implementation of projects with a view to stepping up the disbursement rate. The ADB office in Madagascar, operational since February 2006, is a decisive factor in this partnership.

It is worth noting that, despite the 2001/2002 socio-political crisis whose negative impact on the country's economy was felt in 2002 and 2003, Madagascar was able to implement the reforms necessary to reach the completion point of the HIPC initiative which was attained on 20 October 2004. In this regard, the ADB

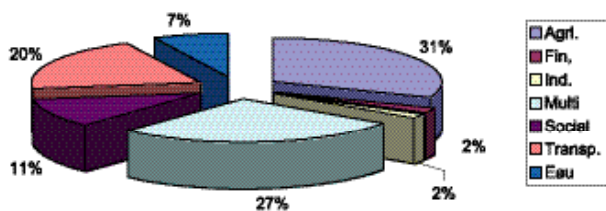


Building host the ADB office in Antananarivo

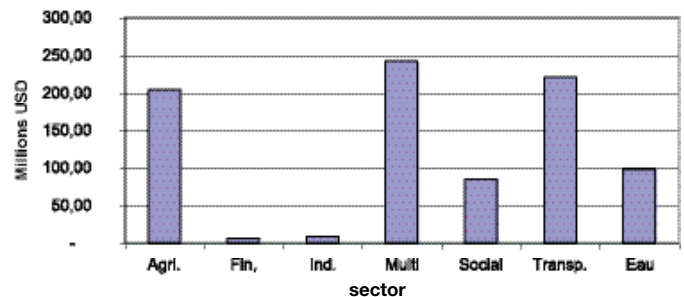
Boards of Directors approved, in February 2005, a debt relief amount equivalent to 80.4 million US dollars, which found expression in a reduction of about 80% of the annual commitments to our institution. The country is expected to be completely relieved of its debt to the Bank before March 2013. Moreover, under the Multilateral Debt Relief Initiative (MDRI), at the completion of the process in 2054, Madagascar will be granted a debt relief in the

region of 370 million US dollars. There is also need to stress, on the other hand, that Madagascar is only eligible for the African Development Fund (ADF) window and, in this regard, the country benefits from the financial support of the ADB Group in the form of concessional loans within the framework of the 10th financial cycle of the African Development Bank (ADF X) for the 2005-2007 period, for an allocation of about 145.5 million US dollars.

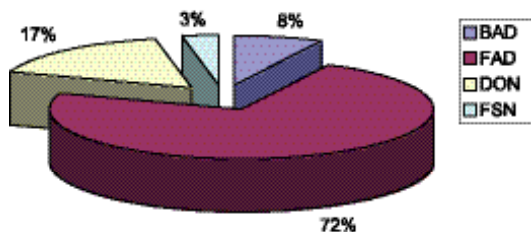
Breakdown of number of projets per sector (number)



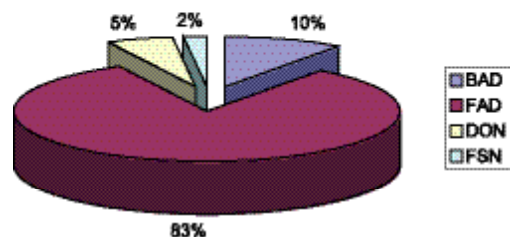
Breakdown of amounts per sector



Breakdown of projects per window (number)



Amount of commitments per window (Amounts)



The Bank's operational prospects will depend on a significant improvement of the current portfolio performances, through, among others, the building-up of the ADB office in Madagascar. Efforts will focus on strengthening project implementation, advising the Government on the preparation of both sector-specific and financial policies, structural reforms and capacity building. The tools used to that end are the Country Strategy Paper (CSP) for the Bank), and the Madagascar Action Plan (for Madagascar), which is a new generation of Poverty Reduction Strategy Papers (PRSP). This process will seek to contribute, with other development partners, to supporting the Government to address the major constraints facing the country, namely: poor internal public resource mobilisation capacity (narrow tax base highly concentrated on external trade and a small number of tax payers), high incidence of poverty, weak capacities, chronic underemployment, inadequate energy and transport infrastructure and vulnerability to external shocks. To that end, the major challenges to be addressed will be: (i) to strengthen the rural energy infrastructure, and (ii) improve access to basic social services (education, health and sanitation); (iii) build institutional capacities, and (iv) accelerate the implementation of structural reforms and generalise good governance practices.

The Madagascar Action Plan (MAP) 2007-2012 will henceforth be the Government's benchmark document. It is a five-year work programme, through which the country will make a quantum leap into the development process, by mobilising the Malagasy people and international partners. The assigned objectives are to accelerate growth, effectively reduce poverty and ensure the development of the country in response to the globalisation challenges. The MAP strategies and projects are directed to achieving effective poverty reduction and the visible enhancement of the



quality of life of the Malagasy people. In concrete terms, eight commitments, with specific results to be achieved in 2012 in relation to their level in 2005, are illustrated in the Major Goals table presented below. These eight commitments are: i) the establishment of good governance practices, ii) infrastructure, iii) educational transformation, iv) rural development, v) health, family planning and the fight against HIV/AIDS, vi) high growth economy and the private sector, vii) the environment, and viii) national solidarity. The Government intends to finance this programme through a combination of internal resources to be obtained thanks to the implementation of reforms, the acceleration of growth, savings secured on the debt service and the support of development partners.

The Bank's ongoing support is based on the orientations of the current Country Strategy Paper 2005-2009. In this regard, the Bank will pursue the implementation, in 2007, of the last year of execution of activities financed under the 10th African Development Fund (2005-2007) replenishment, while preparing the activities included in the next programming cycle of the 11th ADF (2008/2010) replenishment which is being negotiated.

In order to prepare these future activities, in the course of 2007, in close collaboration with the Government, as well as with civil society actors and the country's other development partners,

the mid-term review of the CSP 2005-2009 will be undertaken. This exercise will essentially seek to ensure a growing harmonisation of the objectives of the ongoing operations and, especially, of those scheduled within the framework of the 11th ADF with those of MAP.

In terms of strategic orientations and sectoral priorities, while continuing to lay emphasis on infrastructure, agriculture, water and sanitation, with a view to meeting the new expectations expressed within the MAP framework, special interest will be focussed on the energy sector as well as on private sector development.

With respect to the latter, there is need to underscore the country's huge potential which provides our Private Sector Department with immense opportunities for intervention, especially as during our thirty years of partnership,

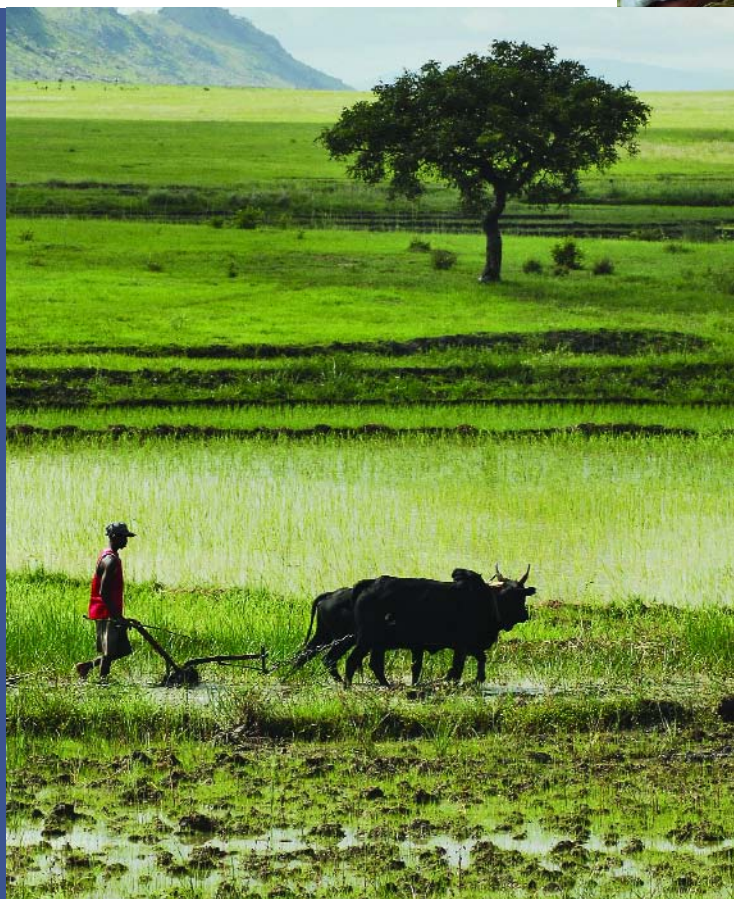
no private sector project has yet been financed by the Bank in Madagascar. Since the opening of the Country Office in 2005, following a first evaluation of the demand in this regard, several projects have been identified, and some of them are currently being studied and processed, notably in the mining and energy sectors.

Moreover, the Bank will continue to be an active member of the Partnership Framework for Budget Support in which it already intervenes in collaboration with the European Union, France and the World Bank. This participation is all the more significant since it provides it with a special and highly appropriate framework to maintain the permanent dialogue with the Government on the structural reforms that the country still needs to ensure the durable resumption of strong and sustained growth.

| Table of MAP's Major Goals: | | |
|---|---|--|
| INDICATORS | 2005 | 2012 |
| United Nations Human Development Index | 146 out of 177 countries | 100 |
| Poverty rate (% population living with less than 2 USD/day) | 85.1% (in 2003) | 50% |
| Family size (Fertility index) | 5,4 | 3 à 4 |
| Life expectancy | 55,5 | 58 à 61 |
| Literacy rate | 63% | 80% |
| Pourcentage Percentage of school children having completed secondary school | Junior secondary: 19% Secondary school: 7% | Junior secondary: 56% Secondary school: 14% |
| Economic growth | 4,6% | 8 to 10% |
| GDB (USD) | 5 Billion | 12 Billion 12 |
| Per capita GDP (USD) | 309 | 476 |
| Foreign Direct Investments (USD) | 84 Million | 500 Million |
| Business Climate Classification (World Bank) | 131 | 80 |
| Corruption perception index | 2,8 | 5,2 |
| Percentage of households with land certificates | 10% | 75% |
| Sources : Government of Madagascar | | |

Poverty Reduction Budget Support Programme

Initial financing amount:
 ADF loan: 52,1 million USD
 (106.0 billion Ariary)
 Overseeing Ministry : Ministry of
 Finance and the Budget
 Start-up date: 31 July 2006
 Closing date:
 31 December 2008
 Project location: Countrywide



Programme objective and description

The programme aims to implement the poverty reduction strategy, by enhancing the implementation of the strategic thrusts 'Governance' (Thrust No 1) and 'Broad-based growth' (Thrust No 2) contained in the Poverty Reduction Strategy Paper. The components of the programme are:

i) Strengthening and maintenance of macro-economic stability, ii) Supporting private sector promotion, iii) Accelerating the decentralisation process, iv) Justice, and v) strengthening the government procurement system.

Expected results

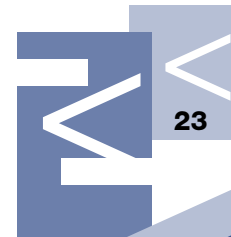
Pursuant to the loan agreement between the Republic of Madagascar and the ADF, the first tranche of 36.5 million USD (74.2 billion Ariary) was disbursed on 4 August 2006.

Perspectives

The implementation of the programme will advance ongoing reforms to improve public finance management, particularly the aspects that have to do with perfecting the budget-programmes approach and the internal auditing of budget implementation. The private sector will be strengthened through the establishment of a legal and regulatory framework for public/private partnership and an incentives system for private sector promoters. Support to the decentralisation process will aim to strengthen human and financial capacities of the decentralised communities and to better define their duties and functions...

Institutional Development for <

Good Governance Project



Initial financing amount: 9,5 million USD
(19.4 billion Ariary)
ADF grant: 8,7 million USD/Government:
0.8 million USD
Overseeing Ministry:
Ministry of Finance and the Budget
Start-up date: 4 May 2006
Closing date: 31 December 2009
Project location: Countrywide

Project objective and description

The project aims to provide appropriate support in terms of training, equipment and technical assistance, in order to facilitate the implementation of national objectives in the public finance sector, as well as in the legal and judiciary fields, with a view to attaining good governance and poverty reduction. The project has three main components: i) Support to the enhancement of transparency and accountability in public finance management, ii) Support to the modernisation and enhancement of the legal and judicial environment, and iii) Project management.

Project outcome

The customs offices in Antsirabe, Mahajunga, Antsiranana and Tuléar were provided with computer equipment for the installation of an appropriate software referred to as SYDONIA++. The use of these tools contributes to improving the management of customs revenue in these Malagasy cities with extremely developed customs activities. The Treasury Comptrollers pursued training within the frame-

work of the Treasury Department's capacity building. The said training also plays a role in the efficiency of public finance management. As regards the Project Implementation Unit, most of the goods, equipment and office furniture have been acquired. The Unit is thus operational.

Near-term prospect

The effects of the project will be twofold. On the one hand, in the public finance sector, the project will develop national skills in order to improve the quality and output of public services with regard to tax revenue collection and the allocation of budget resources. This will be done through increased transparency and accountability made possible by the budget-programmes approach. On the other hand, in the legal and judicial sector, the project will build capacities in the provision of judicial services, and the preparation of new and modernised texts that will improve access to justice, especially for the poor populations, as well as promote public-private partnership.

Initial financing amount: 21.7 million USD (43.4 billion Ariary)
 ADF loan: 18.5 million USD/ ADF grant: 1.1 million USD/
 Government: 2.1 million USD
 Overseeing Ministry: Ministry of Health and Family Planning
 Start-up date: 27 February 2001
 Closing date:
 31 December 2007
 Project location: Countrywide



PROJET SAINTE II



Project objective and description

To contribute to attaining the National Health Policy objectives, the project aims to enhance the accessibility of the population to quality health services in the poorest and most inaccessible health districts. To that end, it targets the improvement and availability of facilities, as well as the use of quality

health services focussed on maternal and child health programmes. The project components are: i) The development of quality health services in health districts, ii) Institutional strengthening and development of human resources, iii) Supplying essential drugs, iv) Improving family welfare, and v) Project management.

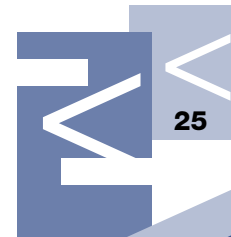
Expected results

Almost all the project activities were implemented at the end of 2006. Thus, 35 community health centres, 51 wholesale district pharmacies and laparo-caesarean units in the 5 hospital structures have been built, furnished, equipped and provided with solar panels and initial stocks of essential drugs. The support provided by the project contributed to stepping up the means of beneficiary district health services to supervise health and community workers. The safe motherhood programme integrated traditional midwives with training and the supply of equipment to health workers.

Perspectives

A balance drawn from the project resources will finance, in 2007, the same lines of activities as those scheduled for the initial project. These include training and equipment under the maternal and child health programmes. The new infrastructure should be provided with technical staff from the Ministry.

Project to Support the Control < of Communicable Diseases



services for the prevention, diagnosis and treatment of communicable diseases (HIV/AIDS/STI, tuberculosis and hepatitis), iii) national capacity building for epidemiological surveillance, and iv)

capacity building for the management of the project.

Initial financing amount:
17.3 million USD (34.4 billion Ariary)
ADF grant: 9.0 million USD/ OPEP loan:
5.1 million USD/ UNAIDS: 0.5 million USD
/ Government: 2.7 million USD

Overseeing Ministry:
Ministry of Health and Family Planning
Start-up date: 13 January 2005
Closing date: 30 December 2010
Project location: Countrywide

Project objective and description

The objective of the project is to contribute to the attainment of the Millennium Development Goal concerning the control of HIV/AIDS and other communicable diseases. To that end, the project will aim to ensure safe blood transfusion and improve the population's access to preventive and curative care with respect to communicable diseases, notably HIV/AIDS, Sexually Transmitted Infections and Tuberculosis. The project will comprise: i) the establishment of an operational blood transfusion network, ii) improvement of the populations' access to

Expected results

The activities were launched in 22 regions. Close ties were established with the regional project for the control of communicable diseases, through the sharing of certain key personnel and acquisition, on the one hand, and through the coordination of activities such as the training of referring physicians, and the institution of an epidemiological surveillance system, on the other. An enhanced participation of the overseeing ministry and the Executive Secretariat of the National HIV/AIDS control committee will enable the project to accelerate its implementation.

Perspectives

Blood transfusion safety will be ensured through the construction of centres at various levels of the health pyramid, with a trained staff and appropriate equipment, underpinned by a products quality assurance and computerized management system, the promotion of hospital hygiene observance and the preventive maintenance of materials and equipment acquired under the project. The control of communicable diseases will be supported by actions to strengthen the civil society, referral systems and the putting in place of specialized laboratories. The national disease surveillance system will be strengthened through the construction of an equipped national centre connected to the health centres of the private and public sectors.



> Project to Support the Regional VIH/AIDS/STI Prevention in Member State of the **Indien ocean commission**

Initial financing amount: 11.4 million USD (22.8 billion Ariary)
ADF grant: 8.9 million USD/ COI: 0.7 million USD/ UNAIDS: 0.5 million USD/ French Cooperation Agency: 1.2 million USD
Overseeing Body: General Secretariat of the Indian Ocean Commission
Start-up date: 3 May 2005
Closing date: 31 December 2010
Project location: Member States of the Indian Ocean Commission (Comoros, Madagascar, Mauritius, Seychelles, Reunion)



Objective and description

In order to halt the spread of HIV/AIDS and start reversing the current trend in member

States of the Indian Ocean Commission, the project will aim to prevent the transmission of HIV/AIDS and Sexually Transmitted Infections within and between member States of the Indian Ocean Commission, paying special attention to the migrant populations travelling between the islands as well as the populations with whom they interact. The project components are: i) sensitization of the populations, particularly the vul-

nerable groups of the sub-region about the HIV infection, STI and the risks, modes of transmission and means of protection; ii) Accessibility of populations of the sub-region

to quality preventive and curative care provided by the socio-sanitary services; and iii) instituting a common epidemiological surveillance system to monitor the course of the HIV/AIDS/STI epidemic in the sub-region.

Project outcome

The project has just kicked off and common working areas with the national project on the various trainings and the epidemiological surveillance system have been defined.

Perspectives

The project will contribute to reducing the number of persons freshly contaminated with HIV/AIDS by making accessible the information on the disease (modes of transmission, means of protection) and those relative to best practices and experiences as regards prevention (media campaign, «toll-free numbers», local awareness seminars and advocacy). It will also contribute to developing the existing capacities to conduct biological and clinical diagnosis, monitor patients and globally manage the disease. The project will harmonise and strengthen the HIV/AIDS epidemiological surveillance systems existing in the member States of the Indian Ocean Commission with a view to creating a common surveillance system (HIV/AIDS observatory) in the sub-region.





primary schools, ii) Job-related



Initial financing amount: 27,2 million USD
(54,4 billion Ariary)
ADF loan: 23,8 million USD/ ADF grant:
0,7 million USD/ Government:
2,7 million USD
Overseeing Ministry: Ministry of National
Education and Scientific Research
Start-up date: 21 February 2000
Closing date: 30 June 2008



Project location: Countrywide

Project objective and description

The purpose of the project is to enhance the performances of primary and secondary education and those of vocational training. The Project outcomes will help improve the school enrolment rate while cutting down the pupil/classroom ratio. The project components are: i) Improving the enrolment capacities of

training for the disabled iii) Institutional strengthening, and iv) Project management.

Project outcome

In order to improve the enrolment capacities of primary schools, the sites on which Public Primary Schools are located were validated with education partners. The sites in which centres for job-related training for the disabled are located were allocated to the overseeing Ministry. The plastic injection molding equipment which forms part of the equipment necessary to improve the quality of education is available. Computer and office automation equipment were delivered to enhance the development of the activities of the different Departments of the Ministry.

Perspectives

The construction of public primary schools, centres for the disabled, the national centre for the production of teaching materials, is expected to start. All these buildings will be provided with the equipment necessary for their operation. Distance tele-messaging to teachers will be possible through a radio satellite link system. Training officials of the Ministry in management will consolidate the actions undertaken by the project.

> Lower Mangoky Rice Schema Rehabilitation Project

Initial financing amount:
 25,3 million USD
 (51.4 billion Ariary)
 ADF loan: 14.9 million USD/
 OPEP loan: 8.8 million
 USD/Government:
 1.6 million USD
 Overseeing Ministry:
 Ministry of Agriculture, Livestock
 and Fisheries
 Start-up date:
 28 September 2000
 Closing date:
 31 December 2007
 Project location: Tuléar
 Province, South-West Region



project. The project comprises the following four components: i) Rehabilitation of the irrigation infrastructure, ii) Support to the development of the irrigated area, iii) Opening up of the irrigated area, and iv) Project management.

Project Outcome

The rehabilitation of the irrigated area essentially entails works for the protection of dykes, desanding, the construction of new channels which resulted in the development of about 7 000 ha through double cropping, at the end of 2006, with an additional production of 31 503 tons of paddy rice. The different sensitisation and research actions undertaken to improve the varieties resulted in high yield performances with an average paddy rice yield of 5.6 t/ha. During agricultural competitions, organised in 2003, 2004 and 2005, the Mangoky farmers obtained best producers' awards at both regional and national level.



Project Objective and Description

The objective of the project is to contribute to reducing poverty and strengthening food security. The project seeks to develop and increase rice production in the Lower Mangoky irrigated area, through the rehabilitation of irrigation infrastructure. Thus, there are plans to undertake intensive farming on 8 400 ha of land, through the double cropping system, and increase the average yields from 2.5 to 3.5 t/ha to reach an annual average paddy rice production of 35 580 tons at the completion of the

Rural credit funding enables farmers to have access to credit so as to address the storage, processing and marketing problems they encounter in the production channels. The promotion of income-generating activities and the possibility to diversify their production (maize, cassava and Lima beans) will securitize farmers' income. Land security operations were undertaken in record time and the objective of distributing 5 000 land titles to farmers at the completion of the project was highly

attained in December 2005. The project promotes women's access to credit and land ownership, thus enabling them to fully participate in the activities aimed at developing the farming area.

Perspectives

Madagascar is located in a cyclonic area, and the last cyclones damaged the irrigation infrastructure, mainly the dykes protecting the farming area, and this led to sanding up and averted water control on the farming area. Emergency works were undertaken with the

Bank's support but there is need to construct a new intake in Bevoay, to sustain the irrigated area. The preliminary designs highlighted the need to have additional financing in order to successfully carry through these works..

It has become difficult to market agricultural products because of the poor state of roads leading to the consumption zones (Tuléar, Morombe), especially during the rainy season. The construction of roads and the studies provided for in the ongoing Tuléar Province road project will bring about solutions for the opening up of the project area.



Entrepreneurs Project

Initial financing amount:
 13.7 million USD
 (28.0 billion Ariary)
 ADF loan: 11.0 million
 USD/PAM: 0.6 million
 USD/Government: 2.1 million
 USD/Beneficiaries:
 0.02 million USD
 Overseeing Ministry:
 Ministry of Agriculture,
 Livestock and Fisheries
 Start-up date: 5 October 1999
 Closing date: 30 June 2007
 Project location: Antananarivo
 Province, Bongolava Region



components: i) Land security and development, ii) Rehabilitation and development of reception facilities, iii) Installation and support to young entrepreneurs, iv) Attendant measures and rural credit, and v) Institutional support and Project Management.

Project outcome

A new small town located around the agricultural training and support centre, built by the project, surfaced in Ambatofotsy. At the end of 2006, four classes comprising 313 young entrepreneurs from all regions of the country, were trained in this centre, and helped to establish by the project. There are 118 women among them. Each young entrepreneur was assigned a 12 ha land, 5 ha of which have been improved and developed by the project mainly for maize and rain-fed rice farming. Significant mapping work undertaken on the basis of aerial photographs, led to the preparation of the parcelling plan of the land, followed later by the issuing of land titles to the young entrepreneurs. The institution of an agricultural credit system has enabled the young entrepreneurs to buy inputs and rent tractors belonging to the Centre for the farm work.

To help the young entrepreneurs to settle on their farms, social infrastructure, including schools, basic health centres, stores, security outposts and wells were built. These are also used by the native populations living in the



Project objective and description

The project aims to strengthen food security and increase the farmers' income by intensifying and modernising farming techniques, through the creation of 325 farming businesses run by young entrepreneurs capable of playing an accelerant role in the dynamics of the development poles. The sites on which the young entrepreneurs are established are located on 4 ranches of an old State-owned farm which extends over an area of 83 500 ha. The Project is structured around the following five

region. The project provided the building materials for the young entrepreneurs' dwellings. Besides, the young entrepreneurs' access is facilitated by the existence of a system of 150 km of rural roads rehabilitated by the project.

Perspectives

The project adopted an original approach, by facilitating the settlement, in good conditions, of the young rural entrepreneurs who are required to

implement modern agricultural production methods, and contribute to attaining the MAP's green revolution objective. The region of Bongolova is thus becoming a breadbasket for the country. The results obtained argue for an extension of the approach to other parts of the country.



Communities of Tulear

Initial financing amount: 10,5 million USD (21,4 billion Ariary)
 ADF loan: 9,4 million USD/Government: 1,0 million USD/Beneficiaries: 0,06 million USD
 Overseeing Ministry: Ministry of Agriculture, Livestock and Fisheries
 Start-up date: 27 October 2006
 Closing date: 31 December 2012
 Project location: Tuléar Province, South-West Region

**Project objective and description**

The project contributes to the reduction of poverty in the rural areas. It seeks to promote the sustainable development of traditional maritime fishing by consolidating the organizations of beneficiaries and State services, the joint and responsible management of fishery resources, and the appropriate equipment of fishermen. The project comprises four components: (i) Capacity building, (ii) Development and sustainable management of fishery

resources, (iii) Development of production, and (iv) Project coordination and management.

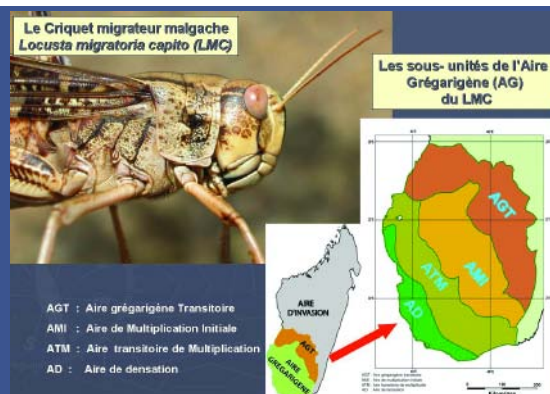
Project outcome

The project has just started and the project personnel is doing everything possible for the effective take-off of activities in the field.

Perspectives

Building the capacities of beneficiaries will facilitate the organisation of fishermen and provide the necessary educational and training services to enable their organisations to manage their common heritage, access to credit and defend the interests of their members. The project will engage in resource development and management actions with respect to the development of the fishing zone, putting in place marine reserves, promoting aquaculture and research-development activities (exploratory fishing, dissemination of sea cucumber and algae farming techniques, experimenting rock lobster fattening in operational conditions). The development of the production will entail the acquisition of fishing gear, training fishermen in new fishing techniques such as the fish concentration devices, and the construction of wharfs.

Control Project



Initial financing amount: 15.5 million USD (31.6 billion Ariary)
 ADF loan: 8.6 million USD/ADF grant: 1.8 million USD/European Union: 2.3 million USD/French Cooperation Mission: 1.2 million USD/ Government: 1.6 million USD/Beneficiaries: 0.03 million USD
 Overseeing Ministry:
 Start-up date: 29 April 2002
 Closing date: 31 December 2007
 Project location: Tuléar Province and the western part of Fianarantsoa Province

Project objective and description

The project aims to strengthen food security through the protection of crops and harvests. This can be done by sustainably maintaining the locust populations below the flocking threshold, thus averting locust invasion. The project is located within the National Anti-Locust Centre which is also supported by other donors, like the European Union and the French Cooperation and Cultural Action Mission. The project comprises the following three components: i) Locust surveillance, ii) Research and training, and iii) Project management and coordination.

Project outcome

An locust surveillance system whose activities are coordinated by the National Locust Control Centre was set up in Betioky. This system makes use of modern techniques which facilitate the real-time monitoring of locust risks. It also makes it possible to swiftly take appropriate actions to limit the build-up of migratory locusts. To be operational in the field, anti-locust stations were built and provided with vehicles, various equipment and pesticides in



six anti-locust zones. The project made a significant innovation by developing a participatory approach which enables farmers, organised in village brigades for locust control, to play a dynamic role in preventive locust control both in terms of surveillance/reporting and more frequent crop treatment. Besides, innovative research work on alternative locust control methods (biological migratory locust control, study on flocking determinism, essays on the pheromones and bio pesticide association) were undertaken in collaboration with the International anti-locust research Institutes. The damages caused by locusts were limited significantly thanks to all these actions.

Perspectives

The maintenance of the National Locust Control Centre is based on the need for locust control in Madagascar, at all times, while preserving the environment. Locusts cannot be eradicated completely because of their capacity to scatter or regroup depending on the conditions of the environment. After the project's investment phase, mechanisms for the sustainability of the locust control system, whether at the level of the intervention strategy, the organisation or financing, should be defined to ensure the viability of the centre.

> Project for the **Rehabilitation of National Mainroad 1 Bis and Connected Provincial Roads**

Initial financing amount: 17.1 million USD (34.7 billion Ariary)
 ADF loan: 15.1 million USD / ADF grant: 0.3 million USD / Government: 1.7 million USD
 Overseeing Ministry: Ministry of Public Works and Meteorology
 Start-up date: 7 May 2004
 Closing date: 30 June 2007
 Project location: Antananarivo Province, Bongolava Region and Toamasina Province, Analanjirofo Region.



Project Objective and Description

The purpose of the project is to improve the efficiency of the transport sector to support the recovery of the Malagasy economy. The project thus aims to improve the rural populations' accessibility and mobility within Antananarivo province. To that end, actions will be taken to rehabilitate a 61.3 km long segment of National Mainroad 1bis (PK38 to PK99.3) and conduct the study for the rehabilitation of roads in the Analanjirofo Region. The project comprises the following six components: i) Rehabilitation of National Mainroad 1bis (PK38 to PK99.3), ii) Partial rehabilitation of 550 km of provincial earth roads, iii) Works control and supervision,

iv) Institutional support, v) Provincial roads studies, and vi) Project audit.

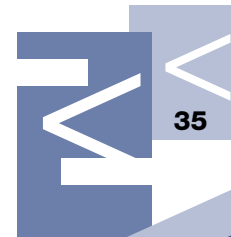
Project Outcome

The project resulted in the rehabilitation and expansion of 61.3 km of roads on National Mainroad 1bis. Since a major portion of the base layer is specially treated all the way across, the pavement structure is strengthened to ensure that it lasts several years. For the security of road users, the signposts comply with international standards (markings, signs, etc.). The 'Provincial Roads Studies' component has provided the country with the results of the study on the rehabilitation of roads in Analanjirofo Region. Moreover, two offices of the Ministry of Public Works and Meteorology were equipped with computers and photocopying machines.

Perspectives

In view of the good quality of the road, its periodic maintenance will ensure the maintenance of traffic between Antananarivo and the Mid-West. The city of Tsiroanomandidy which marks the end of National Mainroad 1bis is the country's leading livestock market. This project constitutes a major step for its opening towards the west coast. Besides, documents relative to the study on the rehabilitation of roads in the Analanjirofo Region are available for possible future financing.

Tuléar Province Road Project <



35



Project outcome

The project is about to start. The acquisitions of services and works are being finalised. The project is expected to achieve its objectives, within reasonable time.

Initial financing amount:
62.8 million USD (127.9 billion Ariary)
ADF loan: 46.9 million USD/ADF grant:
2.8 million USD/ OPEP loan:
7.0 million USD/Government: 6.1 million USD
Overseeing Ministry:
Ministry of Public Works and Meteorology
Start-up date: 12 April 2005
Closing date: 30 December 2009
Project location:
Tuléar Province, Menabe Region

Project objective and description

The purpose of the project is to improve the efficiency of the transport sector in order to support the recovery of the Malagasy economy and thus reduce poverty. The project aims to enhance the accessibility and mobility of a rural population of 750 000 inhabitants in Tuléar province, prepare to completely open up this province, define -within the framework of the Poverty Reduction Strategy Paper- the impact of transportation on poverty and improve the project management capacity. The project comprises the following eight components: i) Rehabilitation works on National Mainroad 34, ii) Rehabilitation works on National Mainroad 35, iii) Control and surveillance of National Mainroad 34 rehabilitation works, iv) Control and surveillance of National Mainroad 35 rehabilitation works, v) Study on the rehabilitation of National Mainroad 9 between National Mainroad 35 and Bevoay, vi) Study on the impact of transport on poverty, vii) Technical assistance to the project's Overseeing Ministry, and viii) Audit of the project's accounts.



Perspectives

The project will contribute to the rehabilitation of National Mainroad 34 between Miandrivazo and Malaimbandy covering a stretch of 112 km and National Mainroad 35 between Mahabo and Morondava covering a stretch of 49 km. At the end of the studies, the

country will be provided with a feasibility report and tender documents for the implementation of rehabilitation works on National Mainroad 9 as well as verifiable indicators of the impact of transport on poverty.

> Project for the Reparation of Damage Caused by **cyclones Eline, Gloria and Hudah**

Initial financing amount: 10.8 million USD (21.3 billion Ariary)
 ADF loan : 9.7 million USD/Government:
 1.1 million USD
 Overseeing Ministry:
 Ministry of Transport and Tourism
 Start-up date: 5 May 2001
 Closing date: 31 December 2007
 Project location: Province de Fianarantsoa, Haute Matsiatra and Vatovavy Fitovinany Regions.



Acquisition and installation of modular bridges over a stretch of 270 m, and iii) Reparation of the southern railroad line covering a stretch of 153 km.

Project outcome

The project focussed on works concerning the rehabilitation of the railroad line. It thus contributed to the rehabilitation of earth structures, bridges and tunnels damaged by the passage of cyclones Eline, Gloria and Hudah in February and March 2000. All the towns and villages bordering the southern railway and which cannot be reached through this railroad line, are currently being opened up. Thus the populations concerned can now travel to the major urban centres and dispose of their agricultural productions. The risks of interruption of the Fianarantsoa- Manakara link are henceforth significantly reduced.



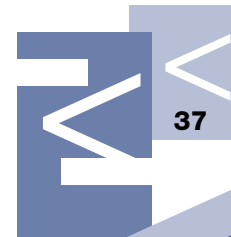
Project objective and description

The project aims to open up the province of Fianarantsoa in order to revive agricultural activities and enhance access to social services (schools and health centres). It thus consists in re-establishing the links over 1767 km of roads and 153 km of railroad lines connecting the city of Fianarantsoa to Manakara city, with a view to restoring the level of services which existed before the cyclones' passage. The project is structured around the following three components: i) Reparation of 1767 km of roads within the classified road system, ii)

Perspectives

The railroad line crosses the eastern forest corridor, famous for its endemic fauna and its renowned tourist sites. Tourism and agroforestry research have borne the rewards of the resumption of traffic on this line. The rehabilitation of structures on the southern railroad line facilitates the network's upkeep and maintenance activities and will represent prior experience for the rehabilitation of the railroad lines themselves.

Rural Drinking < Water Supply and Sanitation Project in the Grand Sud



Initial financing amount:
13.3 million USD (27.0 billion Ariary)
ADF loan: 11.8 million USD/Government:
1.4 million USD/Beneficiaries:
0.13 million USD
Overseeing Ministry: Ministry of Energy
Start-up date: 26 December 2001
Closing date: 31 December 2007
Project location: Fianarantsoa Province,
Horombe Region and Tuléar Province,
Anosy Region.

Project objective and description

The project aims to provide sustainable drinking water supply and improved sanitary hygiene in the Ihosy, Iakora, Ivohibe and Betroka districts. Located in the Grand Sud of Madagascar, a region ranked as priority with respect to water supply needs, the project contributes to the achievement of the interim objectives of the poverty reduction strategy, adopted by the Malagasy Government to significantly increase the coverage of drinking water and sanitation needs in the medium and long-term. The main components of the project are as follows: i) Drinking water supply, ii) Sanitation and watering points, iii) Support to community health, iv) Mobilisation and community training, and v) Institutional support.

Project outcome

The project focuses on the development of infrastructure through the construction of 700

HP boreholes, sanitation and support to livestock rearing through the construction of 5 000 latrines and 1 050 watering points, support to community health through education and sanitary health

activities, and mobilisation and community training by instituting attendant measures to ensure the sustainability of project accomplishments. At the end of 2006, a total of 36 of the 46 communes concerned by the project were covered by the project activities. It is worth noting that 60 000 of the 125 000 inhabitants expected to benefit from the Project outcome, are already taking advantage of the drinking water supply facilities. A total of 390 village committees were trained in the management of water points. 50% of users of these water points are women.

Perspectives

Since the project area is semi-arid and has an intense pastoral activity, surface water is highly in demand both by animals and for human use. Following the actions to be undertaken in this sector, the project will ensure that the local populations have access to water non polluted by animals and reduce the cases of bilharzias contamination. Moreover, the distribution of impregnated mosquito nets and the promotion of methods for the prevention and control of communicable diseases will improve the populations' state of health. To that end, the project will acquire construction materials for latrines and water points as well as 8 000 impregnated mosquito nets.



> Rural Drinking water Supply and Sanitation Programme

Initial financing amount: 89.4 million USD (181.2 billion Ariary)
 ADF loan: 76.0 million USD/Government: 12.5 million USD/Beneficiaries: 0.9 million USD
 Overseeing Ministry: Ministry of Energy
 Start-up date: 27 June 2006
 Closing date: 31 December 2009
 Programme location: Antsiranana Province, Diana and Sava Regions; Mahajanga Province, Sofia, Betsiboka and Melaky Regions; and Tuléar Province, South-West, Androy and Anosy Regions.



i) Institutional support and capacity building, ii) Rehabilitation and development of water supply and sanitation facilities, and iii) Programme management.

Project outcome

The project is about to start. The acquisitions of services and works are being finalised. The project is expected to achieve its objectives, within reasonable time.

Perspectives

The programme will build the capacities of workers directly involved in water and sanitation management in the rural areas, in particular the Drinking Water Supply and Sanitation Department of the Ministry of Energy, the National Water and Sanitation Authority and their regional divisions. The support provided to these workers will enable them to fully play their role in the implementation of Government policy on drinking water supply and sanitation in the rural areas. The grassroots communities' capacity to organise themselves in order to contribute to perpetuating the facilities will be strengthened. The programme will improve the rate of access of populations in the concerned area, to drinking water facilities and sanitation services by ensuring that the 230 drinking water supply systems are fully operational, building 180 new systems, constructing 1 250



Programme objective and description

The objective of the programme is to contribute to poverty reduction through the improvement of the populations' living conditions. This can be done by providing sustainable drinking water and sanitation services in the project's intervention zone in rural areas as part of efforts to meet the Millennium Development Goals. The programme is structured around the following three components:

boreholes and the 2nd section of the extreme south pipeline (87 km), acquiring and installing 4 wind power stations to step up the energy capacity of the 1st section of the pipeline and building 3 700 sanitary blocks and 6 460

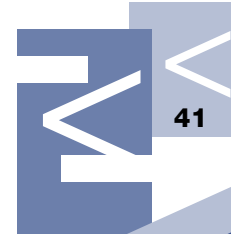
latrines. Finally, the programme will repair the staff quarters in Antananarivo, Antsiranana and Tuléar and provide workers in charge of implementing the programme with the necessary tools, in terms of equipment and training.



Office **Staff** List

| NAME | POSITION | MGFO SWITCHBOARD NUMBER | MGFO DIRECT LINE |
|---|--------------------------------------|-------------------------|--|
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| Mr. BOEDTS Bruno | Operations Officer | (261) 20 22 643 61 | (261) 20 22 513 56 (261) 20 22 644 18 |
| Ms. RAMIAKATRARIVONY Vololonirina | Secretary to Resident Representative | (261) 20 22 643 61 | (261) 20 22 513 57 |
| Mr. RANDRIAMIFIDISOA Hajaniaina | ITC Assistant | (261) 20 22 643 61 | (261) 20 22 513 60 |
| Mr. RAKOTONIRINA Jean Bernard | Procurement Assistant | (261) 20 22 643 61 | (261) 20 22 513 58 |
| Ms. RABENANTOANDRO Florence Yolande | Secretary | (261) 20 22 643 61 | (261) 20 22 643 61 |
| Mr. RATOVOSON Solofoarijaona | Disbursement Assistant | (261) 20 22 643 61 | (261) 20 22 513 61 |
| Mr. ANDRIANARISATA John Eric | Social Development Specialist | (261) 20 22 643 61 | (261) 20 22 513 63 |
| Mr. RANDRIATSIFERANA Simon Robison | Infrastructure Specialist | (261) 20 22 643 61 | (261) 20 22 513 62 |
| Mr. RAKOTOSAONA Andriamahenina François | Administrative Assistant | (261) 20 22 643 61 | (261) 20 22 513 65 |
| Mr. RAPARAOELINA Willy Henri | Financial Analyst | (261) 20 22 643 61 | (261) 20 22 513 64 |

Disbursement Performance of projects. 31 January 2007



In Units of Account

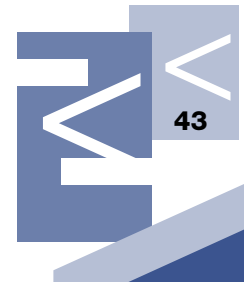
| PROJECT TITLE AND IDENTITY | | LOAN AGREEMENT | | | | | | | | | | | |
|----------------------------|---|-------------------|---------------------------------------|-------------------|--------------|------------|----------------------------|-------------------------------|------------------------------|----------------------|--------------------------------------|--------------------------------|--------|
| | | Type of Financing | Loan | Date of Signature | Closing Date | Amount | Date of First Disbursement | Current Disbursement Deadline | Loan Amount to be Considered | Amount Disbursed (1) | Disbursement Rate as at 31/01/07 (2) | Disbursement Rate since 1/1/06 | |
| 1 | Institutional Capacity Building for Good Governance Project | ADF Grant | 210015500 3672 | 13/01/05 | 31/12/09 | 5 860 000 | 31/05/06 | 31/12/09 | 5 860 000 | 116 355,82 | 1,99% | 0,00% | 1,99% |
| | P-MG-KA0-006 | | | | | | | | | | | | |
| 2 | Poverty Reduction Budget Support Programme I | ADF Loan | 210015001 2399 | 31/07/06 | 31/12/08 | 35 000 000 | 14/08/06 | 31/12/08 | 35 000 000 | 24 457 839,23 | 69,88% | 0,00% | 69,88% |
| | P-MG-K00-001 | | | | | | | | | | | | |
| | Sub-Total of Multisectoral Projects (Excluding PPABRP) | | | | | 5 860 000 | | | 5 860 000 | 116 355,82 | 1,99% | 0,00% | 1,99% |
| 3 | Education III (loan and grant) | ADF Loan | 210015000 0548 | 17/12/98 | 31/12/04 | 16 000 000 | 25/06/01 | 31/12/06 | 16 000 000 | 1 529 216,38 | 9,56% | 0,00% | 6,01% |
| | P-MG-IA0-003 | ADF Grant | 210015500 0194 | 17/12/98 | 31/12/04 | 500 000 | 11/08/03 | 31/12/06 | 500 000 | 21 927,18 | 4,39% | 0,00% | 3,78% |
| 4 | Health II (loan and grant) | ADF Loan | 210015000 0562 | 13/07/99 | 31/12/05 | 12 440 000 | 27/02/01 | 31/12/07 | 12 440 000 | 6 881 244,12 | 55,32% | 0,00% | 41,32% |
| | P-MG-IBA-001 | ADF Grant | 210015500 0196 | 13/07/99 | 31/12/05 | 750 000 | 11/06/03 | 31/12/07 | 750 000 | 379 270,13 | 50,57% | 0,00% | 0,00% |
| 5 | STD/AIDS Control | ADF Grant | 210015500 3674 | 13/01/05 | 30/12/10 | 6 000 000 | 08/07/06 | 30/12/10 | 6 000 000 | 534 905,39 | 8,92% | 0,00% | 8,92% |
| | P-MG-IBE-001 | OPEP Loan | 988/P (5,000,000 \$) 6540654000332 | 12/01/05 | 30/07/09 | 3 410 000 | | 30/07/09 | 3 410 000 | - | 0,00% | 0,00% | 0,00% |
| | Sub-Total Social Projects | | | | | 39 100 000 | | | 39 100 000 | 9 346 563,20 | 23,90% | 0,00% | 17,02% |
| 6 | Rural Young Businessmen | ADF Loan | 210015000 0551 | 17/12/98 | 31/12/04 | 7 350 000 | 14/04/00 | 30/11/06 | 7 350 000 | 5 584 899,24 | 75,99% | 3,96% | 23,43% |
| | P-MG-AA0-020 | | | | | | | | | | | | |
| 7 | Lower Mangoky Rehabilitation | ADF Loan | 210015000 0559 | 17/12/99 | 31/12/05 | 10 000 000 | 10/10/01 | 31/12/07 | 10 000 000 | 8 369 933,17 | 83,70% | 0,00% | 12,32% |
| | P-MG-AAB-001 | OPEP Loan | 792/P (8,020,000 \$) 6540654000015 | 08/06/00 | 31/12/04 | 5 910 000 | 15/03/02 | 31/12/06 | 5 910 000 | 1 771 529,77 | 29,98% | 0,00% | 8,78% |
| 8 | Preventive Locust Control (loan and grant) | ADF Loan | 210015000 0565 | 08/05/01 | 31/12/07 | 5 760 000 | 11/06/03 | 31/12/07 | 5 760 000 | 2 420 483,96 | 42,02% | 2,08% | 26,87% |
| | P-MG-AA0-002 | ADF Grant | 210015500 0197 | 08/05/01 | 31/12/07 | 1 160 000 | 24/08/04 | 31/12/07 | 610 000 | 310 652,53 | 50,93% | 12,27% | 17,98% |
| 9 | Assistance to Fishing Communities - Tuléar | ADF Loan | 210015001 0902 | 02/03/06 | 31/12/12 | 6 325 000 | | 31/12/12 | 6 325 000 | 73 183,99 | 1,16% | 0,00% | 1,16% |
| | P-MG-AAF-001 | | | | | | | | | | | | |
| | Sub-Total Agriculture Projects | | | | | 36 505 000 | | | 35 965 000 | 18 530 692,66 | 51,54% | 1,35% | 14,47% |

In Units of Account

| PROJECT TITLE AND IDENTITY | | LOAN AGREEMENT | | | | | DISBURSEMENT | | | | | | |
|----------------------------|---|-------------------|----------------------|-------------------|--------------|-------------|----------------------------|-------------------------------|------------------------------|----------------------|--------------------------------------|--------------------------------|--------|
| | | Type of Financing | Loan | Date of Signature | Closing Date | Amount | Date of First Disbursement | Current Disbursement Deadline | Loan Amount to be Considered | Amount Disbursed (1) | Disbursement Rate as at 31/01/07 (2) | Disbursement Rate since 1/1/06 | |
| 10 | Road Rehabilitation and Maintenance - RN6 | NTF Loan | 220016000 0033 | 30/05/90 | | 6 000 000 | 14/01/94 | 31/03/07 | 6 000 000 | 4 738 834,10 | 78,98% | 0,00% | 35,74% |
| | P-MG-DB0-004 | | | | | | | | | | | | |
| 11 | Repair of cyclone damage | ADF Loan | 210015000 0525 | 18/12/00 | 31/12/03 | 6 520 000 | | 30/12/05 | 2 080 000 | 423 510,55 | 20,36% | 2,32% | 20,36% |
| | P-MG-DZ0-001 | | | | | | | | | | | | |
| 12 | Rehabilitation of RN1bis (loan and grant) | ADF Loan | 210015000 6778 | 03/06/03 | 31/12/05 | 10 100 000 | 20/10/05 | 30/06/07 | 10 100 000 | 6 122 970,62 | 60,62% | 0,00% | 31,63% |
| | P-MG-DB0-008 | ADF Grant | 210015500 1744 | 03/06/03 | 31/12/05 | 230 000 | 09/11/05 | 30/06/07 | 230 000 | 89 067,46 | 38,72% | 0,00% | 30,96% |
| 13 | Tuléar Road - RN9, RN34/35 (loan and grant) | ADF Loan | 210015000 8693 | 30/11/04 | 31/12/10 | 31 500 000 | | 31/12/10 | 31 500 000 | - | 0,00% | 0,00% | 0,00% |
| | P-MG-DB0-010 | ADF Grant | 210015500 3516 | 30/11/04 | 31/12/10 | 1 890 000 | | 31/12/10 | 1 890 000 | - | 0,00% | 0,00% | 0,00% |
| | Sub-Total Infrastructure Projects | OPEC Loan | ___/P (7,000,000 \$) | 30/11/04 | 31/12/09 | 4 730 000 | | 31/12/09 | 4 730 000 | - | 0,00% | 0,00% | 0,00% |
| | | | | | | 60 970 000 | | | 56 530 000 | 11 374 382,73 | 20,12% | 0,09% | 10,32% |
| 14 | Drinking Water Supply and Sanitation in the Great South | ADF Loan | 210015000 0586 | 08/05/01 | 31/12/07 | 7 930 000 | 22/12/03 | 31/12/07 | 7 930 000 | 3 152 171,29 | 39,75% | 1,14% | 26,68% |
| | P-MG-E00-002 | | | | | | | | | | | | |
| 15 | Rural Drinking Water Supply and Sanitation Programme | ADF Loan | 210015001 1344 | 02/03/06 | 31/12/09 | 51 000 000 | 17/08/06 | 31/12/09 | 51 000 000 | 421 432,09 | 0,83% | 0,00% | 0,83% |
| | P-MG-E00-005 | | | | | | | | | | | | |
| | Sub-Total Water Supply and Sanitation Projects | | | | | 58 930 000 | | | 58 930 000 | 3 573 603,38 | 6,06% | 0,15% | 4,31% |
| | GRAND TOTAL (Excluding PPABRP) | | | | | 201 365 000 | | | 196 375 000 | 42 941 597,79 | 21,87% | 0,32% | 10,36% |
| | GRAND TOTAL in USD (Excluding PPABRP) | | | | | 300 064 055 | | | 292 628 206 | 63 989 422 | 21,87% | 0,32% | 10,36% |

(1) The disbursed amounts are given by the SUMMARY LOAN LEDGER : ZTRR0120D of 6/2/2007

(2) Le tau(2) The overall disbursement rate does not take into account the Budget Support Project. Including the Budget Support Project, the disbursement rate would be 29,13%



ALGERIE

Alger
Non installé

ANGOLA

Luanda
Non installé

BURKINA FASO

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Contact : *Mr. Ansumane Mane*, National Programme Coordinator

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